

Message Text

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ATTN PARIS FOR MARK PRATT

E.O. 11652: N/A

TAGS: SOPN, XC, US

SUBJECT: DECEMBER 15 EA PRESS SUMMARY

1. JAPAN

PRESIDENT CARTER TO CONFER W/USHIBA THURS AFTERNOON
(REUTER 12/14).

US/JAPANESE NEGOTIATORS WIND UP 4 DAYS TALKS THURS,
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W/ADMIN OFFICIALS DISAPPOINTED BY JAPANESE PROPOSALS
REDUCE TRADE/BOP SURPLUSES. US OFFICIALS SAID TARIFF
CUTS/QUOTA INCREASES PRESENTED BY JAPAN WERE "RATHER
MODEST," WHILE SOURCES CLOSE TO NEGOTS TERMED MEASURES
"ALMOST INSULTING"/"LARGELY COSMETIC." STRAUSS/USHIBA
TO HOLD JOINT NEWS CONF BEFORE USBHIA MEETS CARTER
(REUTER'S NEWMAN).

MOST PAPERS REPORT DETAILS JAPANESE TRADE PROPOSALS,
INCL TARIFF CUTS ON 318 ITEMS/PARTIAL IMPORT LIBERALIZATION

27 ITEMS/EXPANSION JAPAN'S IMPORT QUOTAS. ALL STORIES, HOWEVER, NOTE US DISAPPOINTMENT W/PKG, FACT THEY FELL FAR SHORT OF MEETING WIDE-RANGING US DEMANDS FOR TRADE LIBERALIZATION/ECON RESTRUCTURING (MALCOLM, NYT/SUN; HOLUSHA, WSTAR 12/14; WSJ; CSM; REUTER, PHINQ). JOC'S

LAWRENCE QUOTES US AIDE WHO SAID WEDS PKG, OVERALL, REPRESENTS "SIGNIFICANT" 1ST STEP TOWARD REDUCING JAPAN'S SURPLUSES, THO TRADE CONCESSIONS ALONE HAVE NEVER BEEN REGARDED AS LIKELY LEAD TO SUBSTANTIAL SURPLUS REDUCTION.

WP'S PINE REPORTS JAPAN HAS TOLD US IT IS PLANNING UNVEIL MASSIVE NEW STIMULUS PKG LATER THIS MONTH THAT WILL SPUR LAGGING JAPANESE ECON TO GROWTH RATE BETW 7-7 1/2 PCT. SAYS US SOURCES "SPOKE GUARDEDLY" OF PROPOSAL WEDS/DECLINED DISCLOSE EITHER ACTUAL SIZE/COMPOSITION JAPANESE PKG.

JOC'S CULLISON (TOKYO) REPORTS JAPANESE BUSINESS/FINANCIAL COMMUNITIES FEAR FURTHER SPECULATIVE PRESSURE ON YEN UNLESS MUTUALLY ACCEPTABLE SETTLEMENT REACHED BETW TOKYO/WASHINGTON ON TRADE DISPUTE. BUILDING ANXIETY UNCLASSIFIED

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BASED UPON REPORTS FROM WASHINGTON THAT NEITHER ADMIN/ CONGRESS BELIEVES LATEST JAPANESE PROPOSALS ADEQUATE REDUCE JAPAN'S SURPLUSES.

TOSHIBA PLANS BUILD PLANT, CAPABLE OF PRODUCING ABOUT 200,000 COLOR TVS PER YR, AT NASHVILLE. NO DETAILS DISCLOSED, BUT FIRM'S OFFICIALS SAID IT WILL ACQUIRE 100 ACRES OF LAND FOR 8.3-MIL-DOL PLANT, WHICH EXPECTED START PRODUCTION NEXT SUMMER (WP; KLEINFELD, NYT; REUTER TOKYO; AP, WSJ).

JAPAN'S 3RD LARGEST SHIPPING CO, JAPAN LINE, HAS DECIDED ASK FOR 1-YR DELAY IN REPAYMENT BANK LOANS DUE BEGINNING APRIL 1. FIRM SAYS IT NEEDS FREEZE ON REPAYMENT 53.7-MIL-DOLS IN LOANS DUE WORLD SHIPPING SLUMP, WHICH HAS FORCED JAPAN LINE INTO FINANCIAL DIFFICULTIES. REQUEST MARKS 1ST FROM MAJOR JAPANESE SHIPPING CO FOR DEBT MORATORIUM (REUTER TOKYO 12/14; WSJ; CULLISON, JOC).

2. KOREA

AP (SUN) REPORTS TONGSUN PARK HAS AGREED ACCEPT USG'S OFFER TO DROP BRIBERY CHARGES AGAINST HIM IN EXCHANGE FOR COURT TESTIMONY IN CAPITOL HILL INFLUENCE-BUYING SCANDAL. ACCORDING PARK'S US LAWYER, WM HUNDLEY, ONLY "FEW LOOSE ENDS" BLOCK AGREEMENT W/DOJ, UNDER WHICH PARK WOULD RETURN US, PROBABLY AFTER JAN 1.

GEN RICHARD STILWELL (RET), FORMER CMDR US FORCES SK, SAYS PRES CARTER'S W/DRAWAL PLAN "FRAUGHT WITH GREAT DANGER" FOR KOREAN PENINSULA/US RELS W/JAPAN. IN INTERVIEW W/"ARMY TIMES", STILWELL SAID PLAN HAS "NO LOGICAL

RATIONALE" BECAUSE IS "NOT ACCOMPANIED BY ANY COUNTERVAILING CONCESSIONS" FROM NK (AP, SUN).

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NKNA REPORTS SUPREME PEOPLE'S ASSEMBLY IN PYONGYANG 12/15 UNANIMOUSLY RE-ELECTED KIM IL SUNG NK PRESIDENT (REUTER HK).

3. PHILIPPINES

AQUINO APPEARED BEFORE PHILS SUPREME COURT WEDS IN WHAT HE CALLED LAST EFFORT AVERT DEATH PENALTY BY FIRING SQUAD IMPOSED BY MIL TRIBUNAL. ACCORDING REUTER (MANILA 12/14), PEOPLE SHOUTED "LONG LIVE AQUINO" AS HE WAS BROUGHT INTO COURT UNDER HEAVY GUARD. PLEADING IN SUPPORT OF HABEAS CORPUS PETITION/PETITIONS CHALLENGING TRIBUNAL'S PROCEDURES, AQUINO TOLD JUDGES MIL TRIBUNAL HAD GIVEN MARCOS "LEGAL EXCUSE TO MURDER ME."

4. SINGAPORE/VIETNAM

FOUR VIETS WHO HIJACKED AIR VIETNAM PLANE TO SINGAPORE IN OCT WERE SENTENCED THURS TO MAX 14 YRS IN JAIL ON ARMS CHARGES. GROUP LEADER ALSO ORDERED GIVEN 12 CANE STROKES, W/OTHER 3 RECEIVING 3 STROKES EACH (REUTER SINGAPORE).

5. INDOCHINA REFUGEES

US CATHOLIC CONF APPEALS FOR "ARTER ADMIN OFFER UNLIMITED ASYLUM TO REFUGEES FLEEING VN BY BOAT/PROMISES TO FIND THEM HOMES/JOBS W/O FINANCIAL HELP FROM USG. AT NEWS CONF, DIRECTOR REFUGEE SERVICES SAID ASYLUM WOULD SOLVE DESPERATE PLIGHT OF FUGITIVES--"GREATEST TRAGEDY SINCE WWII" (NYT SPEC 12/14).

6. PACIFIC ISLANDS

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FIJI HOME MIN MOMOIVALU TELLS PARLIAMENT THAT NADI INTL AIRPORT, S PACIFIC'S MAIN AERIAL CORSSROADS, VULNERABLE TO WOULD-BE HIJACKERS. GOVT THEREFORE SEEKING MODERN ANTI-HIJACKING WEAPONS/EQUIPMENT AND TRAINING SPEC ANTI-

TERRORIST SQUAD (AP, SUVA PHINQ).

7. VIETNAM

DOS ANNOUNCED WEDS THAT AFTER 6-MONTH RECESS, US/SRV WILL RESUME DIRECT TALKS 12/19 IN PARIS ON PROSPECTS NORMALIZATION RELS. SPOKESMAN TRATTNER SAID 1ST ORDER OF BUSINESS WILL BE FATE OF 2 AMCITS DETAINED W/"BRILLIG." REUTER (12/14) SAYS DOS HAS BEEN CAUTIOUS ABOUT ASSESSING ANY POSSIBLE PROGRESS TOWARD NORMALIZATION GENERALLY (ALSO AP, SUN; UPI, WP; TELTSCH, NYT).

DUDMAN (ST LOUIS POST-DISPATCH (12/12), COVERS 12/11 VISIT SRV UN DELS TO ARLINGTON STREET CHURCH, BOSTON. NOTES DELS HAD DOS WAIVER OF RULE RESTRICTING VIET DIPLOS TO RADIUS 25 MILES FROM NYC. REPORTS NGUYEN NGOC DUNG, IN "LONG AND BITTER SPEECH," ACCUSED CARTER ADMIN OF ORGANIZING CAMPAIGN OF HATRED/ECON WARFARE AIMED AT CAUSING VN COLLAPSE--AND EA'S HOLBROOKE OF OUTLINING IN REPORT TO CONGRESSIONAL SUBCMTE PLAN FOR US/INTL ASSISTANCE TO VIET REFUGEES, THEREBY USING REFUGEE ISSUE TO AROUSE ANTI-VN FEELING THRUOUT WORLD. SHE SAID SOME REFUGEES FLEEING BY BOAT ARE PERSONS WHO "FAILED TO GET OUT W/THEIR BOSS AFTER LIBERATION"; OTHERS "ASSIGNED TO STAY BACK FOR LATER SUBVERSION/TERRORIST ATTACKS." DUDMAN SAYS REASON VIETS CALLED OFF PARIS TALKS LAST WK PERHAPS FOUND IN REMARK BY CU DINH BA: "OBSTACLE TO NORMAL RELS IS THAT THE CARTER ADMIN STILL REFUSES TO IMPLEMENT ITS OBLIGATIONS UNDER THE PARIS AGREEMENT."

MORE THAN 1 MILLION PEOPLE IN CENTRAL HIGHLANDS HAVE BEEN TREATED FOR MALARIA AS PART OF CAMPAIGN TO ERADICATE UNCLASSIFIED

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DISEASE BY END OF '80. VN NEWS AGENCY SAID MANY INFECTED AREAS INACCESSIBLE/THERE IS SHORTAGE MED WORKERS/EQUIPMENT (AP BANGKOK, PHINQ).

COMMENT AND ANALYSIS

9. CHINA

MORITZ (CSM HK) REPORTS DESPITE PRC'S ENUNCIATED GOAL TO MODERNIZE ECON BY END OF CENTURY ECON PLANNERS SLOW IN GETTING OUT CURRENT ECON PLANNING REPORT. REPORT NOT RELEASED UNTIL NOV; HK ANALYSTS SAY ORDINARILY PLANS WOULD HAVE BEEN DRAWN UP/APPROVED BY OCT. REASONS OFFERED FOR DELAY INCL SHAKEUP OF PERSONNEL IN PLANNING OFFICE IN WAKE PURGE GANG OF 4/SUPPORTERS; PROCESS OF REESTABLISHING DISCIPLINE IN PLANNING SECTOR/DISAGREEMENTS OVER PRIORITIES. PLANNERS THOUGHT TO BE RE-ASSESSING CURRENT 5-YR PLAN. BEGINNING IN '80, ACCORDING

TO 1 HK ANALYST, PRC WILL START NEGOTIATING "GENUINELY BIG" ORDERS FOR COMPLETE FON-MADE PLANTS. ANALYSTS ALSO OPINE THAT DESPITE PAST RESERVATIONS, PRC WILL "EMBRACE/IMPORT" FON TECHNOLOGY. SEE RECENT INCREASES IN EXPORT ACTIVITY AS ATTEMPT ACQUIRE CAPITAL NEEDED TO FINANCE THESE IMPORTS.

10. VIETNAM

THIRD INSTALLMENT FRANK SNEPP'S "DECENT INTERVAL" (WSTAR 12/14) CENTERS ON NSC INDECISION WHETHER USE HELICOPTERS TO BEGIN EVACUATION SVN OR DO TEST-RUN W/C-130S WHOSE ARRIVAL TAN SON NHUT OVERDUE BECAUSE OF FIGHTING IN AREA. SAYS HAK OPPOSED SENDING IN C-130S BECAUSE MIGHT BE MISINTERPRETED AS SHOW OF FORCE.
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ADD NEWS - 8. CHINA

HORTON (REUTER 12/14) REPORTS "RARE, FASCINATING" CIA BRIEFING ON PRC GIVEN 12/14 DURING COMMERCE DEPT EAST-WEST SEMINAR. ACCORDING CIA ANALYSTS, WILL TAKE PEKING 3 YRS OVERCOME DISORDER/TURMOIL INHERITED FROM MAO TSE-TUNG ERA; NEW LEADERSHIP NOW IN MIDST OF PURGING 100'S OF 1000'S OF REVOLUTIONARIES FROM CCP. CHINA, ACCORDING CIA, SEEMS INTENT ON EXPANDING ECON TIES W/US; MAY EVEN BE WILLING GO DEEPLY INTO DEBT FOR 7-8 YRS TO GET WESTERN TECHNOLOGY. SAID ATMOSPHERE OF PRESENT-DAY CHINA ALSO BODES WELL FOR BETTER RELS W/SOVIETS, ALTHO LARGE EXPANSION TRADE BETW TWO NOT LIKELY IN NEW NEAR FUTURE.

LAWRENCE (JOC) REPORT ON SAME BRIEFING NOTES CIA ANALYST BATSAVAGE FORECAST ONLY MODEST INCREASE IN US/CHINA TRADE SHOULD 2 NATIONS NORMALIZE RELS. BATSAVAGE SAID CIA PROJECTS ONLY "SLOW BUT STEADY" GROWTH FOR TRADE OVER NEXT 5-10 YRS. OIL WILL PLAY ONLY MINOR ROLE IN THAT TRADE, AND OUTLOOK FOR CHINA PURCHASES FROM ABROAD, ACCORDING TO CIA, ALSO REMAINS MODEST. LEVELS WILL HINGE ON EXPORT SALES/PRC'S RISING DOMESTIC DEMAND FOR OWN PRODUCTS WILL CONTINUE HAMPER EXPORTS. ONLY WAY PRC MIGHT BOOST IMPORTS WOULD BE THRU WESTERN CREDITS; BUT, SO FAR, CIA SAYS PEKING TRYING KEEP WESTERN FINANCING AT MINIMUM. VANCE

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